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FISCAL IMPACT STATEMENT

LS 6509

BILL NUMBER: SB 423

NOTE PREPARED: Dec 10, 2010

BILL AMENDED:

SUBJECT: Eminent Domain.

FIRST AUTHOR: Sen. Hume

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: The bill provides that before a condemnor may exercise the power of eminent domain to acquire property or an interest in property, the condemnor must: (1) establish a proposed purchase price for the property that is at least equal to the appraised value of the property; and (2) provide the owner of the property with the appraisal used to establish the proposed purchase price.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Summary:* There may be fewer eminent domain acquisitions completed that involve the state in future years. Any impact would depend on the state's willingness to pay, if the price was not able to go below the appraised value of the property.

Background- Current law only requires the establishment of a purchase price with an appraisal or other evidence as provided to the property owner. The law is silent on whether the final price could be above or below the appraised value.

Explanation of State Revenues:

Explanation of Local Expenditures: A local unit of government may have to agree to higher purchase prices in future eminent domain proceedings. Fewer eminent domain acquisitions may occur if the price was not able to go below the appraised value of the property.

Explanation of Local Revenues:

State Agencies Affected: State Department of Administration.

Local Agencies Affected: Local units of government with power of eminent domain.

Information Sources:

Fiscal Analyst: Chris Baker, 317-232-9851.